City of Hallandale Beach

Investment Performance Review
Quarter Ended March 31, 2009

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Portfolio returns were modest in the first quarter of 2009 following a year of unusually high total returns from fixed-income portfolios in 2008. Portfolio strategies focused on capital preservation by keeping durations short during a time of economic uncertainty.

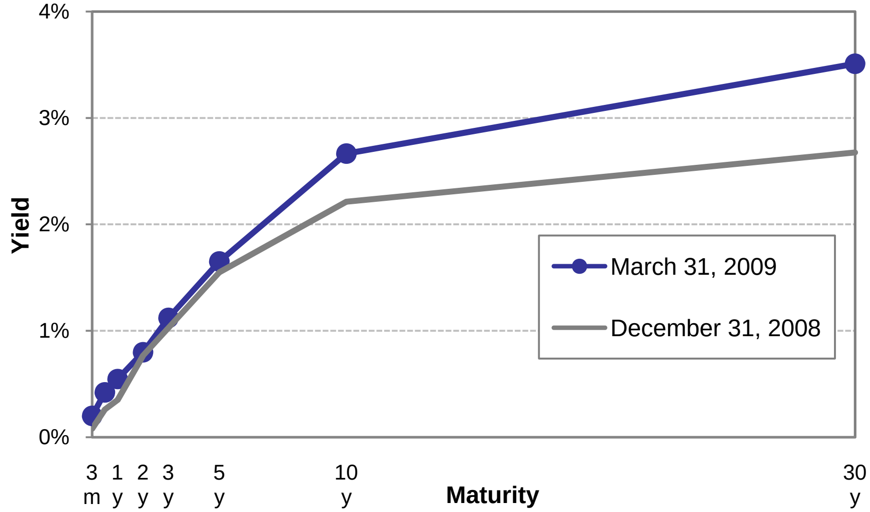
GENERAL MARKET CONDITIONS

Government spending initiatives designed to help stabilize the economy had a large impact in the quarter. The yield curve steepened significantly as the government pumped money into the economy and issued record amounts of debt. The Federal Reserve is committed to providing virtually unlimited support to the economy, but has said that it will remove money from the system when appropriate if inflation were to surge. The main challenge for the United States will be to restore confidence in the financial system so that it can eventually function normally without government subsidies.

The government has committed more than $12.8 trillion to help fight the recession. To finance this proposed spending, it will also continue to issue historically large amounts of debt. There is some evidence that the large current and upcoming supply will outweigh investors' demands for Treasury securities. For example, the $34 billion five-year U.S. Treasury Note auction on March 25 drew far fewer bidders than anticipated, resulting in a much higher than expected clearing level for the yield. Demand for sovereign debt is also waning internationally. On March 25, the U.K.'s 40-year gilt auction failed for the first time since 1995. Concerns about supply and increased inflation expectations have contributed to the steepening yield curve for maturities between 5 and 30 years.

Inflation remains low, but expectations of future price increases have risen in response to record stimulus initiatives to help the economy. The higher expectations can be attributed to the belief that the government plans will prevent deflation, and fears that increased spending and a ballooning money supply may stoke high long-term inflation. Some efforts, such as the Federal Reserve's program to buy up to $300 billion of U.S. Treasuries over the next six months, may have unintended results. The plan was initially designed to help drive interest rates lower, but may simply prevent rates from rising too quickly as increased supply overwhelms investor demand. The short end of the Treasury yield curve is usually tied to moves of the Federal Funds target rate, while the long end usually reflects inflation and long-term growth expectations. The following chart shows that while market participants expect the Federal Reserve to keep short rates low for an extended period, they foresee an eventual return to higher inflation and/or long-term growth from the increasing money supply and the giant stimulus package.

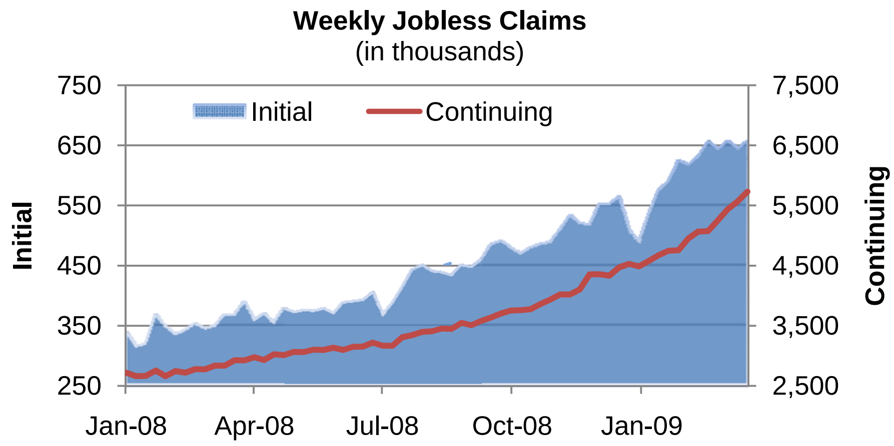
U.S. Treasury Yield Curve
December 31, 2008 versus March 31, 2009



Source: Bloomberg

Economy: The economy continued to deteriorate during the quarter, but the housing market, along with a few other sectors, showed "green shoots" of life during February.

Unemployment continued its dramatic climb as total job losses since 2007 surpassed five million in March (see chart on next page). More than 600,000 new people applied for jobless claims every week in the first quarter of 2009 as the national unemployment rate reached 8.5%. In March, at least eight states' unemployment rates were over 10%.



Source: Bloomberg

As Americans worried about the economy and job security, they raised their personal savings rate from 0.1% a year earlier to over 4%, and spent less for discretionary goods and services. Shopping centers cut back hours of operation, while some retailers such as Starbucks and Macy's announced plans to close stores. Circuit City, Linens 'N Things, and Mervyns were among the large retailers that went out of business in recent months. Auto manufacturers General Motors and Chrysler remain on the brink of bankruptcy.

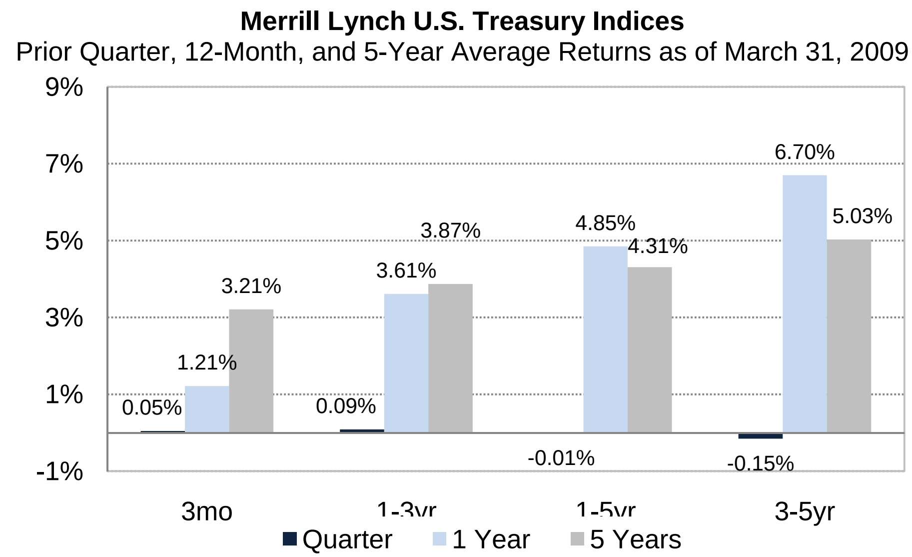
The Federal Reserve's increased purchases of Federal Agency debt, Agency mortgage-backed securities, and longer-term Treasury securities drove mortgage rates lower. Recently passed Federal tax incentives for first-time homebuyers, lower mortgage rates, and depressed home prices brought buyers into the housing market and helped housing starts and home sales rebound from historically low levels. Mortgage applications also surged as borrowers sought to refinance at the lowest rates in decades.

Volatility: Financial markets were volatile as they reacted to economic data, corporate news, and government announcements. Stock indices experienced both bear and bull market moves during the quarter, with the S&P dropping as much as 27%, before rallying to end 14% below its mark on 12/31/08.

Short-term Treasury notes were also volatile. Two-year notes were range bound, but experienced large day-to-day yield changes. The two-year U.S. Treasury note traded within a 0.3% range, but finished the quarter only 0.03% higher. Longer-maturity notes were less volatile, but experienced more sustained rate increases. The 30-Year U.S. Treasury note traded within a range of 1.2%, and finished 0.86% higher than its level on December 31, 2008.

INVESTMENT PERFORMANCE

As intermediate- and longer-term interest rates rose during the quarter, the yield curve steepened, causing longer-term benchmarks and portfolios to underperform shorter ones. Managed portfolios benefited from having shorter durations than their benchmarks. PFM selected durations between 75% and 85% of benchmarks to protect values in the low rate environment. Annualized quarterly returns were lower than those over the previous 12 months, which were pushed up by the bond rally between June and December 2008, and longer-term benchmarks showed negative returns because of the effect of interest-rate rises on market values. The following charts show that short Treasury securities outperformed long Treasury securities on a nominal and risk-adjusted basis. The risk-adjusted returns use interest rate risk, or duration, to scale results.



Source: Bloomberg

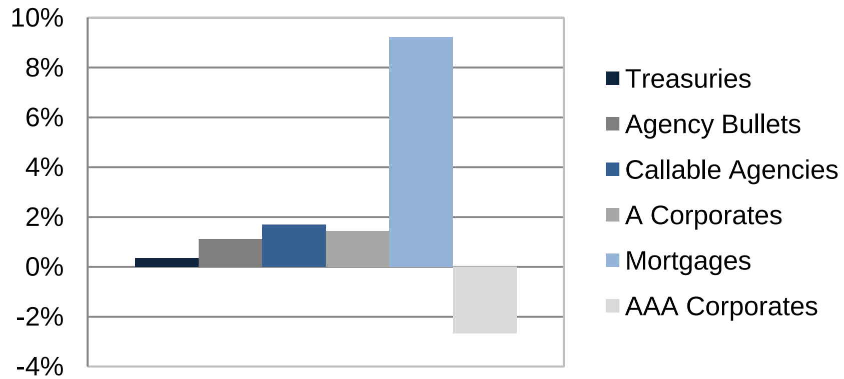
Merrill Lynch U.S. Treasury Index Returns	3m	1-3 yr	1-5 yr	3-5 yr
Quarterly	0.05%	0.09%	-0.01%	-0.15%
Per Unit of Risk**	0.19%	0.05%	4.85%	6.70%
Last 12 Months	1.21%	3.61%	6.84%	8.57%
Per Unit of Risk**	4.85%	2.26%	4.31%	5.03%

** *Return per unit of risk equals the periodic return divided by index duration.*

Federal Agency and mortgage-backed securities generally outperformed Treasuries of the same maturity as the following chart shows. They benefited from the unprecedented efforts of the government and Federal Reserve to boost prices and reduce mortgage interest rates. With two- and three-year securities range bound, PFM portfolios benefitted from higher income (also known as 'carry') on Federal Agency securities and those backed by the FDIC, along with various callable and floating-rate securities purchased throughout the quarter.

With over 3,200 investment-grade ratings downgrades during the first quarter of 2009 (vs. 1,921 in the fourth quarter of 2008, and 1,139 in first quarter of 2008), corporate credit risk continued to be a major concern. The Merrill Lynch AAA Corporate Index underperformed the A index due to investors' concerns over General Electric. In a sign of how scarce AAA corporate credits are, in March, the company accounted for 73% of the AAA index in the first quarter, but was downgraded to AA+ and Aa2 by S&P and Moody's respectively.

Merrill Lynch 1-3 Year Index Returns By Sector



Source: Bloomberg

GOVERNMENT PROGRAMS TO PROMOTE FINANCIAL STABILITY

The government has committed to using a total of $12.8 trillion to help stabilize the economy, which is similar in size to last year's GDP, but only about one-third has actually been spent to date (see the following table).

Federal Government Commitments Since August 2007

	Total Authorization	Spent as of March 31, 2009
Federal Reserve	$7.8 trillion	$1.8 trillion
Treasury	$2.7 trillion	$1.7 trillion
FDIC	$2.0 trillion	$0.4 trillion
HUD	$0.3 trillion	$0.3 trillion
Total	**$12.8 trillion**	**$4.2 trillion**

Source: Bloomberg

Among the most significant programs:

The $787 billion **American Recovery and Reinvestment Act** is a fiscal stimulus package designed to provide immediate relief to citizens and municipalities, along with sustainable economic growth through a mix of tax cuts and government spending.

The Federal Reserve created the $200 billion ***Term Asset-Backed Securities Loan Facility (TALF)***, to help market participants meet the credit needs of households and small businesses by supporting the issuance of asset-backed securities collateralized by student loans, auto loans, credit card loans, equipment, dealer floorplan, residential mortgage servicing advance receivables, and loans guaranteed by the Small Business Administration (SBA). The program allows any U.S. bank, company, or investment fund to borrow funds from the Federal Reserve Bank of New York in exchange for qualified AAA-rated collateral, which includes "newly and recently originated" asset-backed securities.

To address the challenge of troubled assets clogging the banking system, the U.S. Treasury, in conjunction with the FDIC and the Federal Reserve, announced the $100 billion ***Public-Private Investment Program (PPIP).*** Using $75 to $100 billion in TARP capital and side-by-side capital from private investors, the PPIP is expected to generate $500 billion or more in purchasing power to buy legacy assets (residential and commercial mortgage-backed securities issued prior to 2009 and originally rated AAA) and legacy loans (distressed loans and other assets approved by the FDIC) from the balance sheets of U.S. financial institutions. The goals are to restart the market for these types of securities, improve the balance sheets of financial institutions, and free up capital to enable the extension of new credit.

The Federal Reserve's planned open market security purchases are designed to push longer-term rates lower, flatten the yield curve, and bring down consumer borrowing costs, particularly mortgage rates. The Federal Reserve increased its planned purchase program to a total of $1.75 trillion.

Two government programs were extended during the quarter: the FDIC's ***Temporary Liquidity Guarantee Program (TLGP)***, which extended the issuance window from June to October 31, 2009, and the maturity limit from June 30, 2012, to December 30, 2012; and the U.S. Treasury's ***Temporary Guarantee Program for Money Market Funds*** was extended from April 30 to September 18, 2009.

Lastly, a broad reaching set of regulatory changes are being contemplated by the SEC, the Federal Reserve, and Congress to tighten controls and oversight of the U.S. financial system and to manage systemic risk.

OUTLOOK

When the economic turnaround begins, we believe it will be slow, with a prolonged period of low growth. Consumers are likely to work to free themselves of debt they have accumulated while also saving more, before beginning to boost spending. Companies will adjust their headcounts, capital spending, and inventories to account for weaker consumer demand in the foreseeable future. The unemployment rate, which is a lagging indicator, will likely continue its upward trajectory into the second half of the year.

The Federal Open Market Committee (FOMC) has indicated that the overnight target rate will remain in the range of 0% to 0.25% "for some time to come." This will likely push the yields of overnight investments, such as local government investment pools and money market funds, lower still. The massive increase in government borrowing would normally push yields higher, but the Federal Reserve purchases of U.S. Treasury and Federal Agency debt could keep these rates within a trading range as long as it continues.

With interest rates near all-time lows, there is a higher likelihood that rates will increase (pushing market values lower) than there is that rates will decline further. For portfolios that are managed against a benchmark, PFM is generally targeting portfolio durations at 80% - 85% of the established benchmarks. Federal Agency securities were a top performing sector in the first quarter of 2009, and PFM believes that Federal Agencies still offer the best combination of safety and yield in this uncertain market environment.

While Washington explores new regulations for the financial markets in order to help rebuild confidence among investors in private enterprises, the more interesting story may lie in observing the appetites of foreign central banks for the massive amounts of U.S. debt anticipated in 2009.

Executive Summary

PORTFOLIO STRATEGY

- During the quarter, market yields continued to hover near their historical lows. The White House, the Federal Reserve and the U.S. Treasury Department worked in concert in attempting to bring the U.S. economy out of recession. On February 13, 2009 Congress passed the American Recovery and Reinvestment Act – a nearly $1 trillion economic stimulus plan. In March, the Fed announced plans to purchase up to $300 billion of longer-term U.S. Treasury securities with the goal of influencing long-term rates, especially mortgage rates.

- During the quarter U.S. Treasury yields increased slightly from the record lows reached in January of 2009. The increase in yields pushed the Merrill Lynch 1-3 year U.S. Treasury benchmark returns negative for both January and February. The average yield of a 2-Year U.S. Treasury Notes over the quarter was 0.89%; this is 2.71% lower than the historical ten year average of 3.60%. The U.S. Treasury yield curve is steeply positive – the yields on longer dated Treasuries increased during the quarter due to an increase in Treasury issuance to fund government stimulus programs. As U.S. Treasuries move toward their long term averages over the intermediate term, they are likely to underperform other security types.

- The markets reacted to each new economic recovery plan in a capricious fashion. Market yields, which continued to trade at or near historical lows, were volatile throughout the quarter. For instance, yields on the 2-Year U.S. Treasury Note traded at a quarterly low of 0.71% on January 20th, reached a high of 1.09% on February 26th, and ended the quarter at 0.80%. During the quarter, the yield on the 2-year note moved 10% or greater from its previous market close on nine occasions compared to 41 trading days over the past ten years.

- The City's Investment Portfolio is of high credit quality and maintains adequate liquidity. The portfolio is invested entirely in Federal Agency, U.S. Treasury, Corporate Notes and FDIC guaranteed corporate securities. The securities in the portfolio are allocated among high quality issuers rated AAA, TSY, AA and A-1+. FDIC guaranteed corporate debt carries the full faith and credit of the United States government and are therefore rated AAA.

- The portfolio continued to overweight Federal Agencies. The yield spread between 2-year Agencies and Treasuries narrowed considerably by mid-quarter, which helped the portfolio, but then widened from that point to end the quarter nearly unchanged. However, the portfolio's overweighting to Agencies provided an income advantage to the portfolio, which allowed the portfolio to outperform its Merrill Lynch 1-3 Year U.S. Treasury Index by 17 basis points (0.17%). The portfolio returned 0.26% for the quarter versus the benchmarks' return of 0.09%.

- With yields trading at record low levels at the beginning of the quarter, the chance of a sharp increase in rates outweighed the probability of rates decreasing further. With this in mind, we employed a strategy of allowing the portfolio's duration to drift shorter during the quarter with the objective of insulating the portfolio's principle from market value losses caused by rate increases. At quarter end, the portfolio's duration stood at 1.45 years, which is 83% of the Merrill Lynch 1-3 Year U.S. Treasury Index. The benchmark ended the quarter at 1.76 years.

- We will continue our strategy of overweighting the Federal Agency sector. With a strong implicit backing of Agency debt by the government, Federal Agencies continue to add value over U.S. Treasury securities. The spread between 2-year Agencies and Treasuries ended the quarter at 67 basis points (0.67%) – this stands at almost double the average spread of 38 basis points (0.38%) over the past ten years. Additionally, we will continue to under-weight non-FDIC insured corporate securities. However, we will continue to use floating and fixed rate FDIC insured corporates for portfolio diversification.

- Even with the numerous plans put forth by the U.S. and foreign governments, economists are predicting a slow and lengthy recovery. Federal government spending will take months, if not years, to reach full effect, while consumer spending is likely to remain dormant for a long period. With this, it appears that the Fed will not change the Fed Funds target rate from its current target of 0.00 to 0.25%. Inflationary pressures have been low, which has allowed the Fed to maintain the target federal funds rate at its current level. However, with the increases in governmental spending for stimulus programs, inflationary pressures may rise in the near term.

- The Short Term portfolio's quarterly average yield to maturity at cost was 0.88% compared to 0.18% for the benchmark Merrill Lynch 3 month U.S. Treasury Bill Index. Short-term yields continue to trade at historically-low levels. During the quarter, we continued to invest in short-term commercial paper. These securities added value over U.S. Treasuries, which allowed the portfolio to outperform its Merrill Lynch 3-month U.S. Treasury Bill index by 70 basis points.

- We will continue our strategy of overweighting the Federal Agency sector. With a strong implicit backing of Agency debt by the government, Federal Agencies continue to add value over U.S. Treasury securities. We will continue to use commercial paper to further diversify the portfolio. These securities provide adequate liquidity while also adding a slight yield advantage over U.S. Treasury securities.

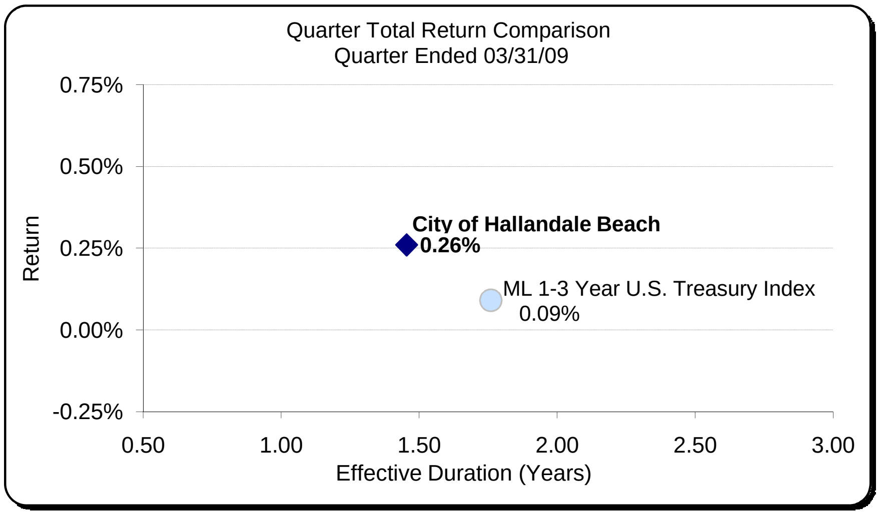
Investment Portfolio Performance

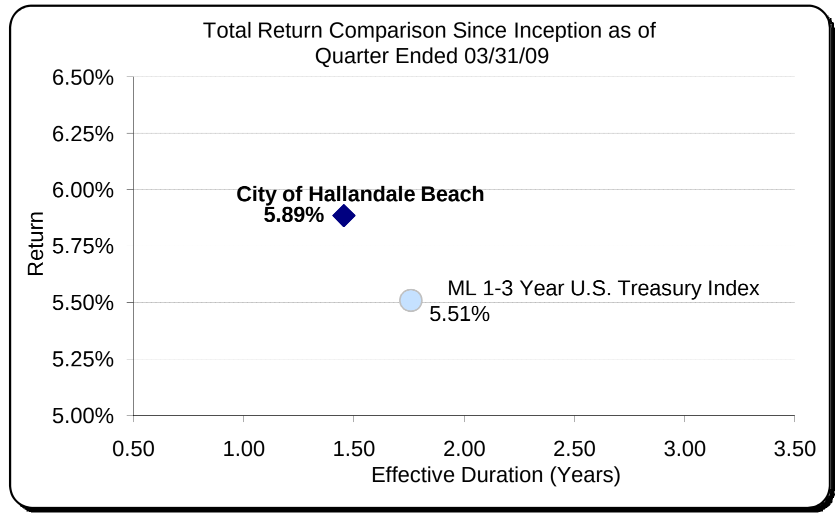
Total Portfolio Value[1,2]	March 31, 2009	December 31, 2008
Market Value	**$30,679,283.77**	$31,385,772.22
Amortized Cost	**$30,062,371.57**	$30,473,388.88

Total Return[1,2,3,4,5,6,7,8]	Quarterly Return March 31, 2009	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception December 31, 2005
Investment Portfolio	**0.26%**	**1.06%**	**4.79%**	**6.58%**	**5.89%**
Merril Lynch 1-3 Year U.S. Treasury Index	0.09%	0.35%	3.61%	6.26%	5.51%

Effective Duration(Years)[4]	March 31, 2009	December 31, 2008
Investment Portfolio	**1.45**	**1.64**
Merril Lynch 1-3 Year U.S. Treasury Index	1.76	1.64
Portfolio Duration % of Benchmark Duration	83%	100%

Yields	March 31, 2009	December 31, 2008
Yield at Market	**1.50%**	1.37%
Yield at Cost	**2.97%**	3.28%



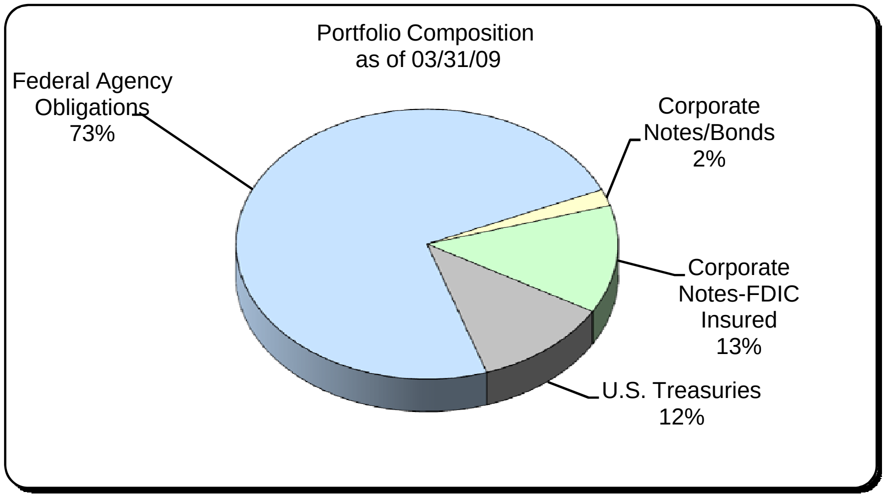


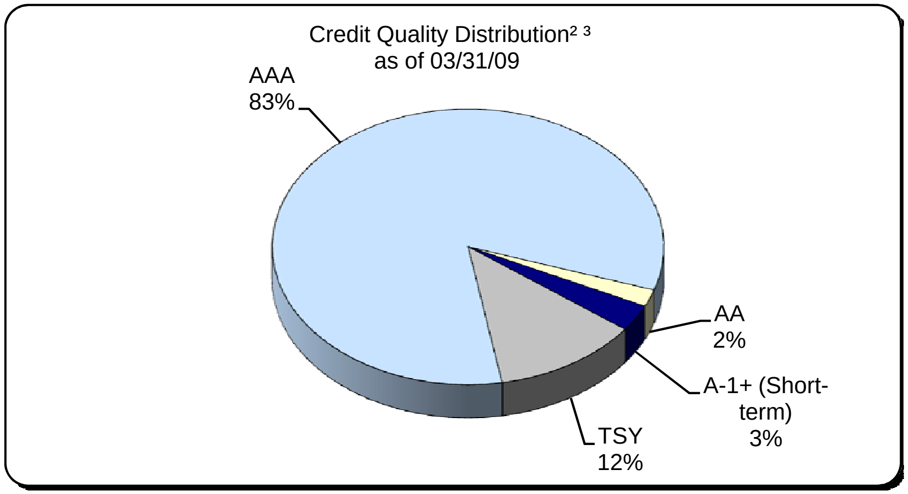
Notes:

1. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
2. End of quarter trade-date market values of portfolio holdings, including accrued interest.
3. Performance on trade date basis, gross (i.e., before fees), is in accordance with The CFA Institute's Global Investment Performance Standards (GIPS).
4. Merrill Lynch Indices provided by Bloomberg Financial Markets.
5. Quarterly returns are presented on both an unannualized and annualized basis. The annualized return assumes the quarterly return is compounded at the same rate for four quarters and is presented for reference only. The actual annual return will be the result of chaining the most recent four quarterly returns.
6. Excludes money market fund/cash in performance and duration computations.
7. Returns presented for 12 months or longer are presented on an annual basis.
8. Past performance is not indicative of future results.

Investment Portfolio Composition and Credit Quality Characteristics

Security Type[1]	March 31, 2009	% of Portfolio	December 31, 2008	% of Portfolio
U.S. Treasuries	**$3,561,141.72**	**11.6%**	$4,680,336.30	14.9%
Federal Agencies	**22,537,903.96**	**73.5%**	19,840,835.54	63.2%
Commercial Paper	**0.00**	**0.0%**	1,343,982.53	4.3%
Certificates of Deposit	**0.00**	**0.0%**	0.00	0.0%
Bankers Acceptances	**0.00**	**0.0%**	0.00	0.0%
Repurchase Agreements	**0.00**	**0.0%**	0.00	0.0%
Municipal Obligations	**0.00**	**0.0%**	0.00	0.0%
Corporate Notes/Bonds	**615,672.46**	**2.0%**	1,872,432.95	6.0%
Corporate Notes-FDIC Insured	**3,964,565.63**	**12.9%**	3,648,184.90	11.9%
Mortgage Backed	**0.00**	**0.0%**	0.00	0.0%
Money Market Fund/Cash	**0.00**	**0.0%**	0.00	0.0%
Totals	**$30,679,283.77**	**100.0%**	$31,385,772.22	100.3%



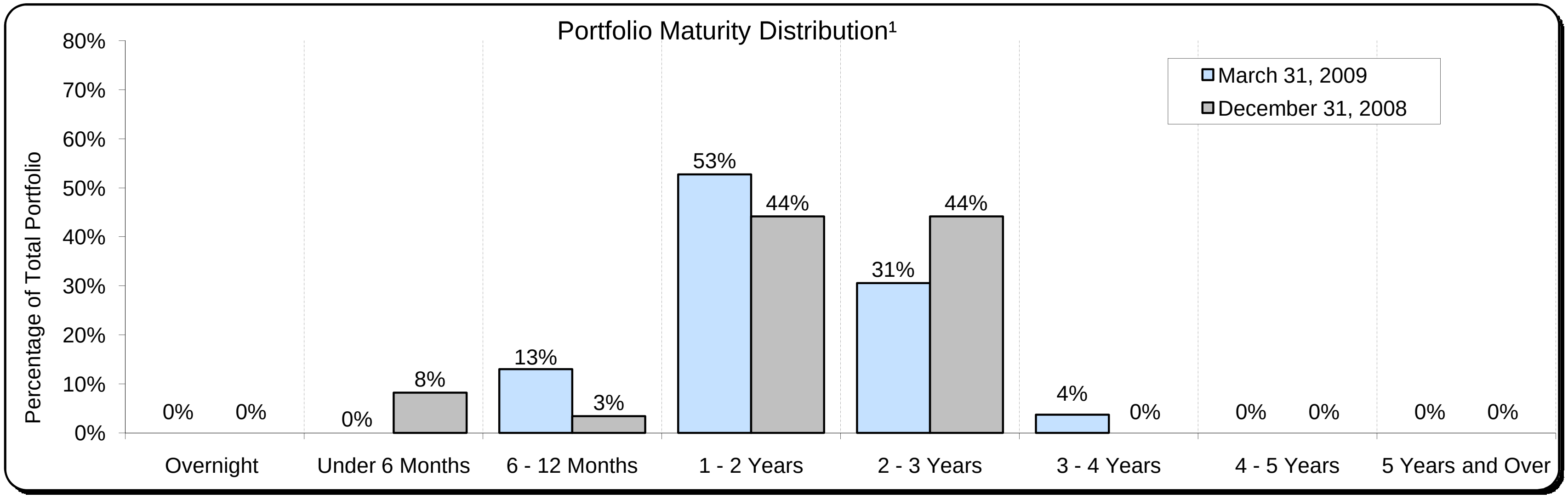


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP.
3. A rating of "TSY" indicates the security is an obligation of, or explicitly guaranteed by the U. S. Government.

Investment Portfolio Maturity Distribution

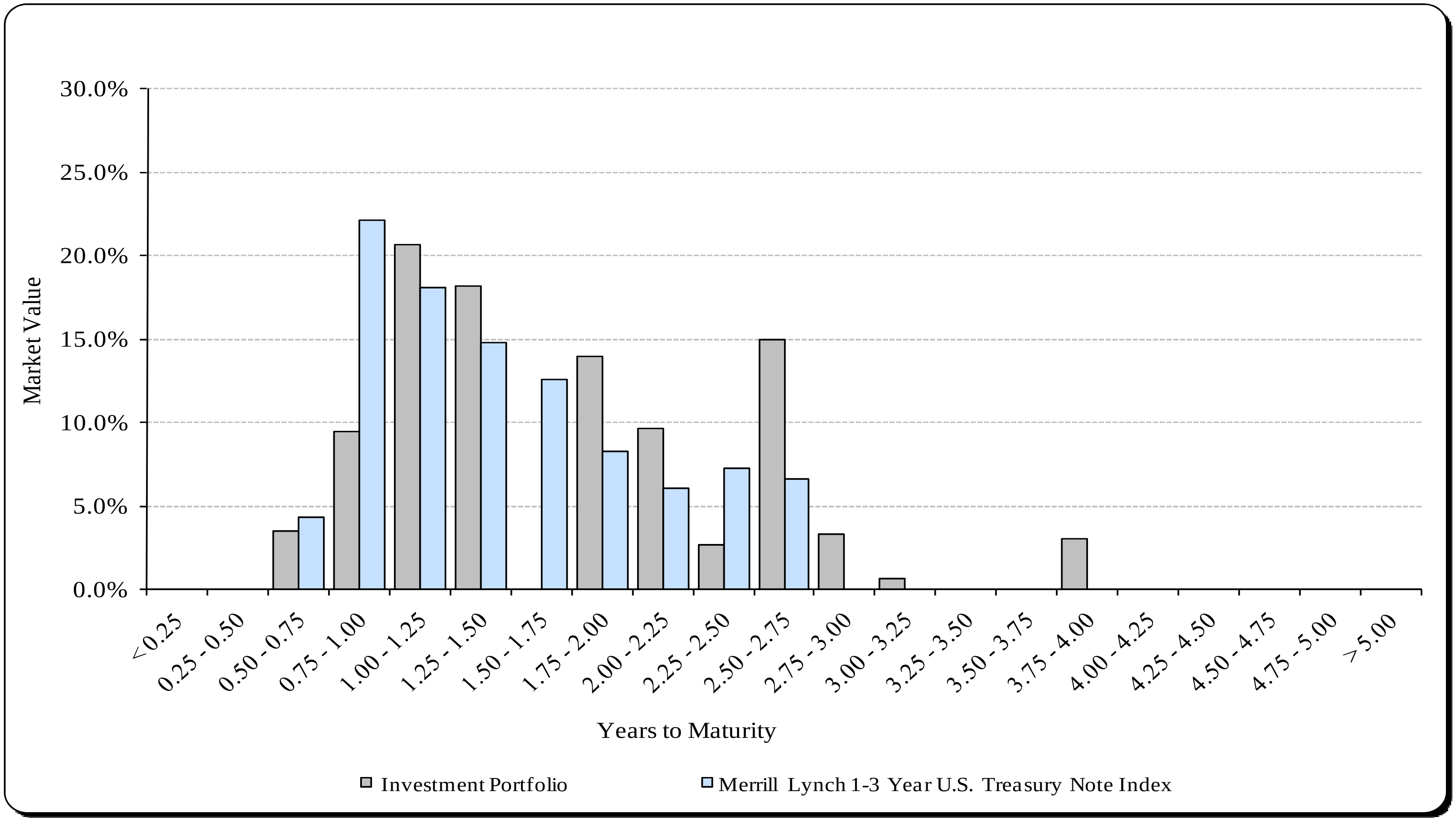
Maturity Distribution[1]	March 31, 2009	December 31, 2008
Overnight (Money Market Fund)	**$0.00**	$0.00
Under 6 Months	**0.00**	2,576,963.20
6 - 12 Months	**3,989,890.10**	1,074,829.46
1 - 2 Years	**16,184,069.59**	13,865,782.22
2 - 3 Years	**9,370,320.28**	13,868,197.34
3 - 4 Years	**1,135,003.80**	0.00
4 - 5 Years	**0.00**	0.00
5 Years and Over	**0.00**	0.00
Totals	**$30,679,283.77**	$31,385,772.22



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Investment Portfolio Maturity Distribution versus the Benchmark[1]



Notes:

1. Due to the nature of the security, Mortgage-Backed Securities are represented based on their average life maturity rather than their final maturity.

Short Term Fund Portfolio Statistics

Account Name	Amortized Cost[1,2,3] March 31, 2009	Amortized Cost[1,2,3] December 31, 2008	Market Value[1,2,3] March 31, 2009	Market Value[1,2,3] December 31, 2008	Duration (Years) March 31, 2009
Short Term Fund	**$1,339,246.63**	$1,336,071.98	**$1,339,556.46**	$1,337,526.35	**0.07**

Account Name	Quarterly Average Yield to Maturity on Cost[4] March 31, 2009	Quarterly Average Yield to Maturity on Cost[4] December 31, 2008	Quarterly Average Yield to Maturity at Market March 31, 2009	Quarterly Average Yield to Maturity at Market December 31, 2008	Duration (Years) December 31, 2008
Short Term Fund	**0.88%**	2.32%	**0.82%**	1.65%	0.07

Benchmarks	March 31, 2009	December 31, 2008
3 Month U.S. Treasury Bill Index[5, 6]	**0.18%**	0.12%

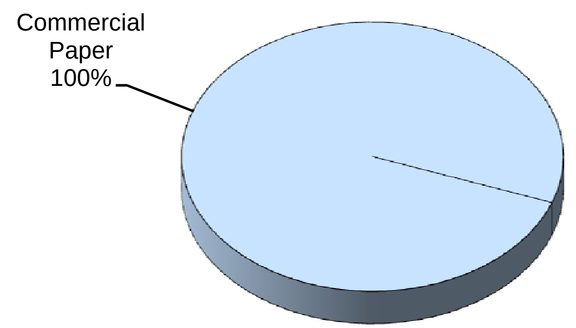
Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
3. Excludes any money market fund/cash balances held in custodian account.
4. Past performance is not indicative of future results.
5. Average quarterly returns, source Bloomberg.
6. Due to its excessive concentration in Corporate Instruments, the SBA is no longer a suitable benchmark, therefore; we are utilizing the 3 Month U.S. Treasury Bill Index at this time, as it represents a risk-free benchmark.

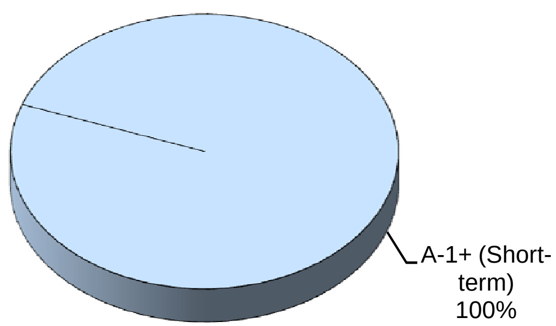
Short Term Fund Portfolio Composition and Credit Quality Characteristics

Security Type[1]	March 31, 2009	% of Portfolio	December 31, 2008	% of Portfolio
U.S. Treasuries	**$0.00**	**0.0%**	$0.00	0.0%
Federal Agencies	**0.00**	**0.0%**	0.00	0.0%
Commercial Paper	**1,339,556.46**	**100.0%**	1,337,526.35	100.0%
Certificates of Deposit	**0.00**	**0.0%**	0.00	0.0%
Bankers Acceptances	**0.00**	**0.0%**	0.00	0.0%
Repurchase Agreements	**0.00**	**0.0%**	0.00	0.0%
Municipal Obligations	**0.00**	**0.0%**	0.00	0.0%
Corporate Notes/Bonds	**0.00**	**0.0%**	0.00	0.0%
Mortgage Backed	**0.00**	**0.0%**	0.00	0.0%
Money Market Fund/Cash	**0.00**	**0.0%**	0.00	0.0%
Totals	**$1,339,556.46**	**100.0%**	$1,337,526.35	100.0%

Portfolio Composition
as of 03/31/09



Credit Quality Distribution[2]
as of 03/31/09

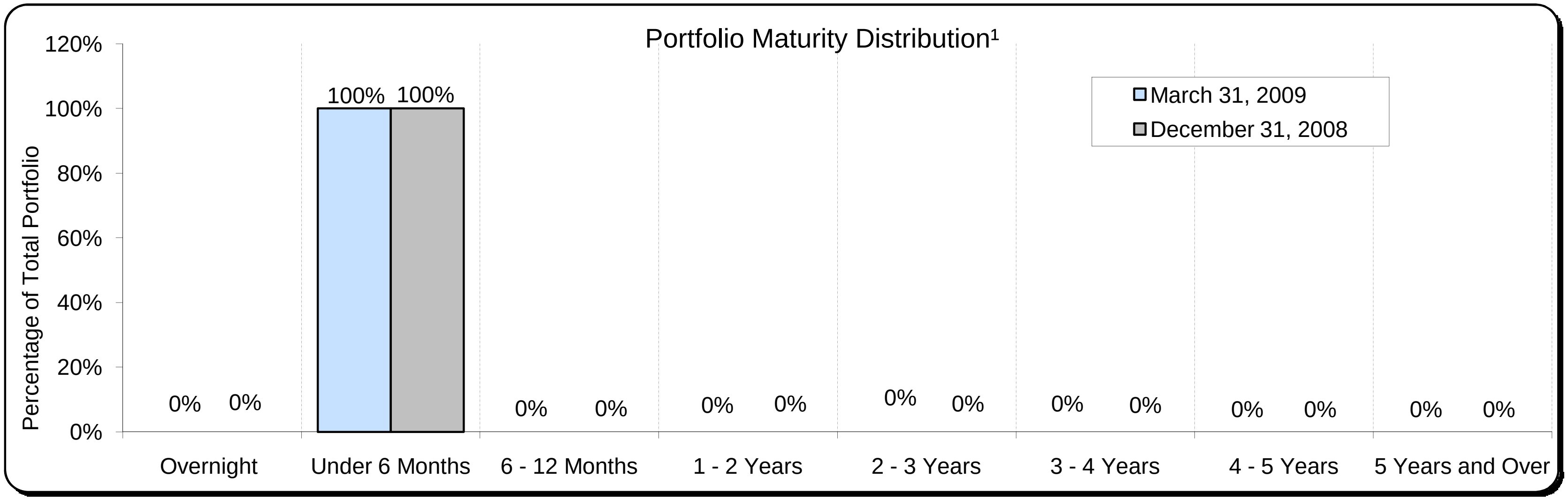


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP.

Short Term Fund Portfolio Maturity Distribution

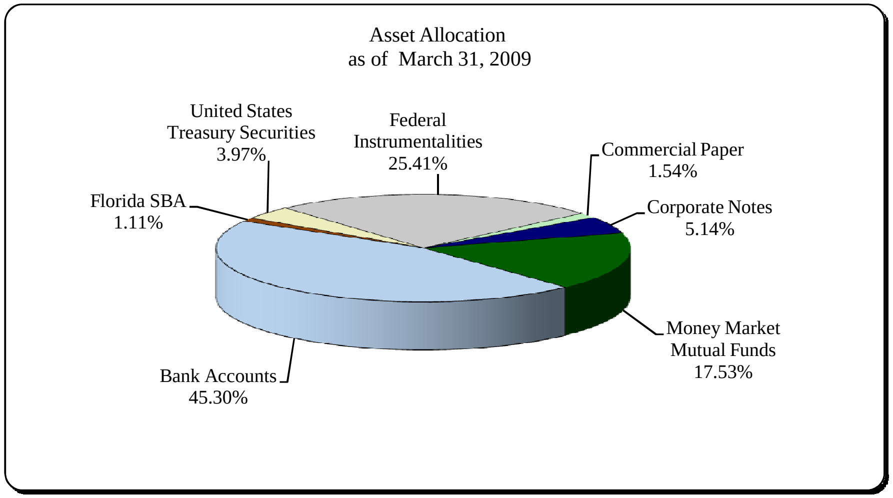
Maturity Distribution[1]	March 31, 2009	December 31, 2008
Overnight (Money Market Fund)	**$0.00**	$0.00
Under 6 Months	**1,339,556.46**	1,337,526.35
6 - 12 Months	**0.00**	0.00
1 - 2 Years	**0.00**	0.00
2 - 3 Years	**0.00**	0.00
3 - 4 Years	**0.00**	0.00
4 - 5 Years	**0.00**	0.00
5 Years and Over	**0.00**	0.00
Totals	**$1,339,556.46**	$1,337,526.35



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Security Type	March 31, 2009	Notes	Permitted by Policy
Florida SBA	1.11%		**100%**
United States Treasury Securities	3.97%		**100%**
United States Government Agency Securities	0.00%		**100%**
Federal Instrumentalities	25.41%	1	**100%**
Certificates of Deposit	0.00%		**10%**
Repurchase Agreements	0.00%		**20%**
Commercial Paper	1.54%		**25%**
Corporate Notes	5.14%		**15%**
Mortgage-Backed Securities	0.00%	1	**40%**
Bankers' Acceptances	0.00%		**25%**
State and/or Local Government Debt	0.00%		**25%**
Money Market Mutual Funds	17.53%		**20%**
Intergovernmental Investment Pool	0.00%		**25%**
Bank Accounts	45.30%		**100%**



Individual Issuer Breakdown	March 31, 2009	Notes	Permitted by Policy
Government National Mortgage Association (GNMA)	0.00%		**40%**
US Export-Import Bank (Ex-Im)	0.00%		**40%**
Farmers Home Administration (FMHA)	0.00%		**40%**
Federal Financing Bank	0.00%		**40%**
Federal Housing Administration (FHA)	0.00%		**40%**
General Services Administration	0.00%		**40%**
New Communities Act Debentures	0.00%		**40%**
US Public Housing Notes & Bonds	0.00%		**40%**
US Dept. of Housing and Urban Development	0.00%		**40%**
Federal Farm Credit Bank (FFCB)	5.64%		**40%**
Federal Home Loan Bank (FHLB)	5.53%		**40%**
Federal National Mortgage Association (FNMA)	3.95%		**40%**
Federal Home Loan Mortgage Corporation (FHLMC)	10.16%		**40%**
Student Loan Marketing Association (SLMA)	0.00%		**0%**

Individual Issuer Breakdown	March 31, 2009	Notes	Permitted by Policy
CD - Bank A	0.00%		**10%**
CD - Bank B	0.00%		**10%**
Fully collateralized Repo - A	0.00%		**10%**
Fully collateralized Repo - B	0.00%		**10%**
Societe Generale CP	1.54%		**5%**
CP B	0.00%		**5%**
CP C	0.00%		**5%**
General Electric Corporate Notes	0.73%		**5%**
Morgan Stanley FDIC Corporate Notes	1.54%		**5%**
JP Morgan Chase FDIC Corporate Notes	1.37%		**5%**
Citigroup FDIC Corporate Notes	1.16%		**5%**
State Street FDIC Corporate Notes	0.34%		**5%**
BA Bank A	0.00%		**5%**
AID Israel Agency Notes	0.13%		**40%**
Money Market Fund - PFM Funds	17.53%	2,3	**10%**
City National Bank Account	36.58%		**100%**
Bank of America Bank Account	8.71%		**100%**

Notes:
1. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 100%. The combined total as of March 31, 2009 is 25.41%.
2. In September 2008 CCRF Money Market fund became PFM Funds.
3. Managed by the City.
* No Bond Proceeds